

DEC 5 - 1996

# Before the FEDERAL COMMUNICATIONS COMMISSION OFFICE OF SECRETARY Washington, D.C. 20554

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| In the Matter of  | )                                      |
| Implementation of the Local<br>Competition Provisions in the  | ) CC Docket No. 96-98                  |
| Telecommunications Act of 1996  | )<br>)                                 |
| Interconnection Between Local<br>Exchange Carriers and Commercial<br>Mobile Radio Service Providers | ) CC Docket No. 95-185<br>)<br>)       |
| Administration of the North<br>American Numbering Plan  | ) CC Docket No. 92-237<br>)<br>)<br>_) |

To: The Commission

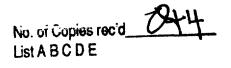
### REPLY OF AMERITECH TO OPPOSITIONS TO ITS PETITION FOR CLARIFICATION OR RECONSIDERATION

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In the Matter of

Implementation of the Local
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### REPLY OF AMERITECH TO OPPOSITIONS TO ITS PETITION FOR CLARIFICATION OR RECONSIDERATION

Pursuant to § 1.429(g) of the Commission's Rules,

Ameritech submits this reply to various parties' oppositions

to Ameritech's Petition for Clarification or Reconsideration

of certain issues decided by the Commission in its Second

Report and Order ("Second Order") in this docket (61 Fed. Reg. 47284).

I. The Commission Cannot Ignore the Express Language of the Section 251(b)(3) Dialing Parity Requirement in Order to Further the Agenda of Some Parties

Section 251(b)(3) of the 1996 Act imposes an obligation on local exchange carriers ("LECs") to provide dialing parity and nondiscriminatory access to telephone numbers,

operator services, directory assistance and directory listings to "competing providers of telephone exchange service and telephone toll service." In its petition, Ameritech requested that the Commission reconsider its conclusion that this lanquage requires LECs to provide dialing parity to any competitor that provides either telephone exchange service or telephone toll service. As Ameritech demonstrated in its petition, both the applicable principles of statutory construction and the legislative history require that the Commission reconsider its conclusion to interpret the term "and" as meaning "or" in this context.<sup>2</sup> This is necessary since Congress clearly intended in § 251(b)(3) to address dialing parity between competing local exchange providers, not dialing parity between local exchange providers and toll carriers. Further, Ameritech pointed out that the dialing parity obligation is governed by equal access concepts and § 271(e)(2), not § 251(b)(3).

Several parties attack Ameritech's position.<sup>3</sup> However, none challenges Ameritech's analysis of the legislative history of § 251(b)(3), which conclusively demonstrates that Congress intended to require that a requesting carrier be

Ameritech Petition at 2.

 $<sup>^{2}</sup>$  Id. at 2-5.

Sprint Comments at 2-3; Telecommunications Resellers Ass'n ("TRA") Reply at 10-11; Public Utilities Comm'n of Ohio ("PUCO") Opposition at 2-3; AirTouch Comments at 20-21; AT&T Opposition at 9-10.

providing both telephone exchange and telephone toll service in order to be entitled to non-discriminatory access under § 251(b)(3). Nor do these parties challenge the applicability of the canons of statutory construction relied on by Ameritech. Rather, these parties want the Commission to ignore the express statutory language and the legislative history of the 1996 Act on the grounds that their "interpretation" is more consistent "with the goals of the 1996 amendments to the Communications Act -- to foster competition in the local marketplace." This argument should be rejected on both statutory interpretation and policy grounds.

The Commission cannot ignore the express language of the statute in order to further the agenda of these parties.<sup>5</sup>

The Commission recognized as much at various points in the First Report and Order,<sup>6</sup> and that recognition should be extended to the interpretation of § 251(b)(3). In accordance with congressional intent, therefore, the Commission's Rules should be amended to reflect that a local exchange carrier's duty with respect to these functions extends only to those other

AirTouch Comments at 21; PUCO Opposition at 2-3; AT&T Comments at 9.

<sup>5 &</sup>lt;u>FCC v. American Broadcasting Co.</u>, 347 U.S. 284, 296 (1954).

See, e.g., First Report and Order at ¶ 914 (rejecting the argument that the wholesale rates should be ten percent or less in order to encourage facilities-based competitors);

Id. at ¶ 923 (§ 252(d)(3) does not permit a policy preference for facilities-based providers).

local exchange carriers that provide both telephone exchange service and telephone toll service.

From a policy perspective, there is no reason to ignore the clear wording of § 251(b)(3) and adopt a strained interpretation merely to benefit interexchange carriers ("IXCs"). Dialing arrangements for interLATA toll traffic were previously addressed in the context of equal access, which is preserved under § 251(g) of the 1996 Act, and the intraLATA toll dialing parity obligation of Bell Operating Companies is expressly governed by § 271(e)(2) of the 1996 Act. Further, intraLATA toll dialing involving independent LECs is inherently a local concern driven by the development of competition in the primarily rural and suburban areas served by these carriers, and Congress correctly left that issue to the states.

Ameritech's position is not that it does not have a duty to provide dialing parity for toll traffic originating from its local exchange lines, but rather that its obligation is governed by equal access concepts and by § 271(e)(2).

Ameritech submits that Congress did not intend to duplicate these duties by also creating a potentially conflicting toll dialing obligation under § 251. In fact, application of § 251(b)(3) to toll dialing parity with interexchange carriers is not only unnecessary, but it might produce conflicting obligations and absurd interpretations when local dialing parity concepts regarding access to telephone numbers, direc-

tory assistance and directory listings are applied to toll carriers.<sup>7</sup> For these reasons, Congress wisely limited the scope of § 251(b)(3) to dialing parity between competing LECs that provide both toll and local service, and the Commission should do the same.

## II. The Commission Cannot Impose a Nondiscriminatory Access Requirement That Conflicts With the Express Language of Section 251(b)(3)

Ameritech also argued in its petition that the Commission should reconsider its interpretation of the "nondiscriminatory access" requirement of § 251(b)(3) as also incorporating a duty to provide "access that is at least equal in quality to the access that the LEC provides to itself." As with dialing parity, the Commission's construction conflicts with the canons of statutory interpretation and clear congressional intent in favor of an unduly expansive and unwarranted reading. In particular, Ameritech demonstrated that when Congress in the 1996 Act imposed upon an incumbent local exchange carrier the extraordinary requirement that it provide a service or function on the same basis to unaffiliated carriers as it provides to itself, Congress did so in clear and unambigu-

For example, if § 251(b)(3) were rigidly interpreted for all toll carriers, then IXCs could argue that they are entitled to their own 7-digit telephone numbers or directory listings.

<sup>&</sup>lt;sup>8</sup> Second Order at  $\P$  101.

Ameritech Petition at 6-11.

ous language, and used language other than the term "non-discriminatory." 10

While numerous parties attack Ameritech's conclusion because of what they perceive to be its unreasonableness, "I none has challenged the underlying premise that Congress indisputably knew how to require that a carrier provide a service or function on the same basis to unaffiliated carriers as it does to itself, and could have included such a requirement in § 251(b)(3). Congress chose not to do so, and any argument regarding the reasonableness of its intentions should be made to Congress. Despite the position taken by some parties, the Commission cannot simply insert additional requirements into the 1996 Act by administrative fiat.

Moreover, the premise of the argument -- that

Ameritech's position is unreasonable -- is itself wrong.

Ameritech does not provide access to telephone numbers, operator services, directory assistance, and directory listings to itself, but rather to its customers. As a result, there is no

<sup>10 &</sup>lt;u>Id</u>. at 7-8.

PUCO Opposition at 3; AT&T Opposition at 12-13; TRA Reply at 14; Sprint Comments at 4; MFS Response at 4-5; Teleport Opposition at 5-6.

MFS mischaracterizes Ameritech's argument as being focused on the "placement of individual words and phrases" within the statute. MFS Response at 5. In fact, Ameritech's argument is based on a common sense reading of the 1996 Act as a whole -- Congress consistently used language other than the term "nondiscriminatory" in the 1996 Act when it sought to require that a local exchange carrier provide requesting carriers treatment equal to that which it provides itself.

basis for applying a standard that requires "the same access" as a LEC provides to itself. The more reasonable interpretation of § 251(b)(3) is that Congress imposed a duty to provide nondiscriminatory access as among other carriers and custom-In addition, both the Commission and the state commissions already regulate the quality of service provided to all customers, including competing carriers, and can establish reasonable quality levels that are applicable to all users of a service or facility without engaging in a pretense that a LEC provides network elements to itself. Thus, in accordance with obvious congressional intent, the Commission should amend the rule so as to require local exchange carriers only to provide access that is nondiscriminatory among telecommunications carriers and in accordance with state requirements regarding reasonable levels of quality applicable to all users of a service or facility.

#### CONCLUSION

For the foregoing reasons, the Commission should clarify and amend the *Second Order* and its rules in order to implement the dialing parity and nondiscrimination requirements in a manner that is consistent with the language and intent of the 1996 Act.

Respectfully submitted,

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#### **CERTIFICATE OF SERVICE**

I, Kelly N. McCollian, hereby certify that on this 5th day of December, 1996, true and correct copies of the foregoing "Reply of Ameritech To Oppositions To Its Petition For Clarification or Reconsideration" were served by hand delivery (\*) or by first-class mail on the following parties:

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